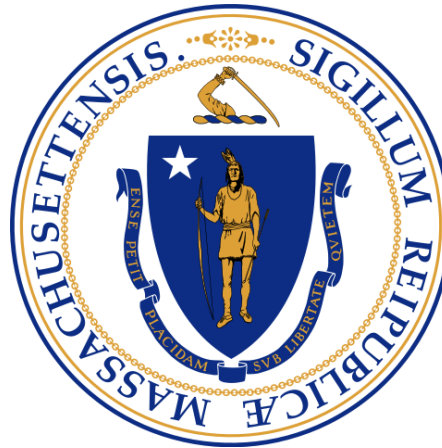


Group Insurance Commission

The Executive Office for Administration and Finance
Commonwealth of Massachusetts



Performance Report
Fiscal Year 2014

Dolores L. Mitchell
Executive Director

Introductory Letter from the Executive Director

While the Group Insurance Commission's (GIC) mission, to provide high quality, affordable health and other benefits to state and other public sector enrollees remains essentially unchanged, the means chosen to achieve the mission need constant review to make sure the agency is prepared to meet new challenges. The ever-increasing costs of health care, the significant growth in our membership, and the expanded role of the federal government in determining the basic rules of coverage, have all made the goal more complex and more necessary than ever as the fundamental shifts in the health care marketplace continue.

The transition from a 19th century supply driven cottage industry, to a supply and demand driven model, has accelerated. It is now a system where practitioners, purchasers, payers, and increasingly, patients, are dependent on technology and data. The GIC is committed to the use of data to inform its purchasing decisions, monitor performance and provide relevant information to its members.

There is an old adage that says you cannot serve two masters. That adage cannot—should not—apply to those who work in the public sector. In fact the GIC serves three masters, and arguably a fourth. We serve the administration that is charged with balancing employee and retiree costs against other public goals. We serve our enrollees whose basic health needs have been entrusted to us to provide, and, at the same time, we serve the taxpayers of the Commonwealth who pay the largest share of the costs. A fourth master might reasonably be added. Without the willing participation of payers and providers we could never achieve our goals. The measures we have selected to deal with these disparate concerns are described in the pages that follow, along with the metrics we have chosen to measure our progress.

Dolores L. Mitchell
Executive Director, Group Insurance Commission

As an organization affiliated with the Executive Office of Administration and Finance (A&F), the Group Insurance Commission's goals reflect and bolster the commitments of A&F to bring about Better Finance, Better Health Care, Better Performance and Better Government.

This report was developed pursuant to Executive Order 540, Governor Patrick's directive to embed strategic planning and performance management across state government. The Group Insurance Commission's FY14 Performance Report describes progress achieved against the goals set out in its 2013-2015 Strategic Plan.

Please send feedback
regarding this report to:
gicpublicinfo@state.ma.us

Performance Narrative

Though the growth rate of healthcare spending in Massachusetts is slower than the national average, there is a tremendous amount of work to be done in order to bend the cost curve. The GIC's Centered Care Initiative continues to stress the importance of health plans and providers working together to develop a new way to pay providers, improve the patient experience and create a better continuum of care. At times, this process feels like trudging through molasses but we persist as the success of this program is important to the future of healthcare in the Commonwealth.

Two and half years ago when the GIC went out to bid for all six of our health plans, we did so with some lofty goals and a big ask – slight increases in spending for the first years of the contract and by the end of the five year contract, health costs should be decreasing for the GIC. FY14 brought the first milestones for this program and as we reported to our Commissioners, the health plans met their contractual obligations for this program, but they – and we – know that the heavy lifting lies ahead. In addition we have been meeting with provider organizations, discussing the importance of this program and collaborating on how best to make this a successful and productive program.


Limited Network plans remain a popular choice among our members as the benefits of these plans mirror the benefits of the broader network plans but exclude some of the more expensive hospitals in the Commonwealth. Members of our limited network still have access to and receive high quality care; the benefits are identical, however, lower premium costs makes these plans appealing to GIC members.

As part of the FY15 annual enrollment, the GIC conducted a survey to draw input from members about their GIC health insurance benefits and their customer service experience with the GIC. The last time the GIC surveyed its members was in 2008, so we were pleased to send out over 222,000 surveys with an overall response rate of 7.5%. The feedback from GIC members is valuable information which we will consider in making future decisions about benefits.




The WellMASS program continues to be a challenge for the GIC as wellness is a buzz word in the world of employee benefits, but state employees remain slow to participate in our program. Participation in the Health Questionnaire (by which we measure overall participation) remains low although onsite programming is still very popular. The WellMASS staff continues to visit agencies across the state to encourage participation in the program and leadership support for WellMASS.




We have heard from our health plans that the rising cost of prescription drugs is one of the main drivers in the overall increase to cost of care, particularly specialty drugs. With new, and very expensive, treatments for Hepatitis C on the horizon as well as a rise in the cost of generic drugs, these issues are a priority for our health plans and the GIC. Tackling the cost of specialty drugs remains a priority in the GIC's current procurement for a pharmacy benefit manager for the indemnity plans, and is one of the major challenges the GIC faces at this moment. We are looking for a vendor who can help us deal with the complexities of the rising cost of specialty drugs as well as retiree drug costs.

Incorporate payment reform into the procurement process




Measures	Prior Period	Previous Period	Current Period	Trend	Target	Status	Comments
Percentage of GIC members covered in Integrated Risk-Bearing Organization	NA	NA	10%	Improving	10%		Current data is FY14. All plans met the 10% target for FY14.
Percentage of claims paid under alternative payment methods (not fee-for-service)	NA	NA	NA	NA	10%	NA	GIC does not have access to this data at this time.

Empower consumers to make informed decisions when selecting health care providers



Measures	Prior Period	Previous Period	Current Period	Trend	Target	Status	Comments
Number of enrollees who choose providers with highest quality cost efficiency and/or quality scores	NA	NA	NA	NA	NA	NA	Unable to report data at this time - data only exists at health plan; need to gather and aggregate information from health plans.
Number of physicians scored through Clinical Performance Improvement (CPI) Initiative	12,752	13,125	14,609	Improving	Increase		Data compares FY12, FY13 and FY14. Includes some Primary Care Physicians who are tiered in FY13; GIC no longer tiers PCPs beginning in FY14.
Number of specialties tiered through CPI Initiative	20	20	20	Stable	Increase		Data compares FY12, FY13 and FY14.
Percentage of GIC members enrolled in limited network products	18%	17%	18%	Improving	20%		Data compares FY12, FY13 and FY14. Data is for non-Medicare enrollees.




STATUS LEGEND		=> Target		=> 75% to <99%		< 75% of Target	NA	Not Applicable
--------------------------	---	-----------	---	----------------	---	-----------------	----	----------------

Expand WellMASS employee wellness programs




Measures	Prior Period	Previous Period	Current Period	Trend	Target	Status	Comments
Percentage of eligible GIC enrollees participating in WellMASS	NA	5.7%	4.1%	Worsening	10%		Data compares FY13 and FY14. Measure may be modified in the future to include participation in plan-based wellness programs.
Number of participants at wellness events	NA	2,670	2,168	Stable	5,000		Data compares FY13 and FY14. 119 onsite events throughout the year. Some emphasis on onsite programming redirected to other wellness efforts.
Percentage of participants who reduced their number of risk factors based on Health Assessment results	NA	NA	4%	Improving	5%		Current data is FY14. Percentage based on 671 people who took the Health Assessment in years 1 and 2.

Improve customer service for enrollees

Measures	Prior Period	Previous Period	Current Period	Trend	Target	Status	Comments
Number of hits on GIC's website	NA	9,100	28,514	Improving	9,500		Data compares FY13 and FY14. 22,700 average unique visitors per month; 190,482 average page views per month.
Percentage of survey respondents reporting a positive customer service experience	NA	NA	61%	Improving	NA	NA	Current data is FY14. Measure is for employees - 31% were very satisfied, 30% were somewhat satisfied. For retirees, 85% reported a positive experience.
Number of complaints	1,831	1,757	2,060	Stable	< 2,000		Data compares FY13 and FY14. These are written complaints only for the fiscal year; unable to track phone calls and emails at this time. GIC added approximately 9,300 new members in FY14 so the rise in number of complaints is expected.
Average time (in days) to respond to a complaint	NA	NA	NA	NA	30	NA	Unable to track at this time; new system being rolled out which will allow for tracking in FY15.

STATUS LEGEND		=> Target		=> 75% to <99%		< 75% of Target	NA	Not Applicable
------------------	---	-----------	---	----------------	---	-----------------	----	----------------


Improve relationship management with health plans and providers




Measures	Prior Period	Previous Period	Current Period	Trend	Target	Status	Comments
Percentage of new contractors GIC meets with (within 30 days of awarding contract) to review expectations	100%	100%	100%	Stable	100%		Data compares FY13 and FY14. New contracts include pharmacy benefit consultant and flexible spending administrator.
Number of health plans met with twice a year	8	8	8	Stable	8		Data compares FY13 and FY14. Includes mental health and pharmacy benefit administrators.
Number of yearly meetings between GIC and provider organizations	7	10	12	Improving	15		Data compares FY13 and FY14.

Enhance use of technology to improve efficiency, streamline internal processes and enhance the customer experience

Measures	Prior Period	Previous Period	Current Period	Trend	Target	Status	Comments
Percentage of survey respondents reporting a positive experience with new technology systems	NA	NA	NA	NA	NA	NA	GIC did not have the resources to conduct survey, but plans to pursue its roll-out in the future.

Place emphasis in procurement on fiscal constraint.

Measures	Prior Period	Previous Period	Current Period	Trend	Target	Status	Comments
Number of plans that adhere to financial goals as enumerated in procurement documents	NA	NA	6	Improving	6		Current data is FY14. Health plans met their contractual targets for FY14.

STATUS LEGEND		=> Target		=> 75% to <99%		< 75% of Target	NA	Not Applicable
------------------	---	-----------	---	----------------	---	-----------------	----	----------------

Going into year three of our health plan contracts, we and our carriers face big financial challenges. Early in the contract, targets and penalty provisions reinforced the need to create the right contractual infrastructure for better health care at lower cost. In years one and two of the contract, our health plans have been required to demonstrate that they have the right contracts in place with enough providers to make a difference. Year three – that is, fiscal year 2016 – is the first year in which self-insured plans will be subject to financial penalties if they fail to meet budget targets.

In other areas, the work of the GIC goes on. The Clinical Performance Improvement project continues as we provide more data to the physicians than in previous years with the hope that they will use the data to improve quality of services and care. The massive project to update our IT infrastructure and take our main system, MAGIC, off the mainframe and convert it to a web-based system is under way and we expect the result to be an easier user experience for both GIC employees and those who use MAGIC outside the agency and for the system to support the evolving needs of the GIC.

The GIC will continue to support our members in good times and in bad by providing health, life, dental, vision, and long term disability insurance, and by helping them save money with flexible spending accounts. We will welcome Grafton and the South Essex Sewerage District to the GIC on January 1, 2015, followed by Ashland, Easton, and Westwood on July 1, 2015. We hope to do for them what we do now for the state and our other employers – provide excellent insurance and at a fair price.

Measure Descriptions

GOAL	MEASURE	DESCRIPTION
Incorporate payment reform into the procurement process	Percentage of GIC members covered in Integrated Risk-Bearing Organization	This measure tracks the percent of GIC non-Medicare Massachusetts covered lives in an Integrated Risk-Bearing Organization (IRBO). IRBOs are characterized by better integrated care delivery and alternative payment models not solely based on fee-for-service reimbursements.
	Percentage of claims paid under alternative payment methods (not fee-for-service)	This measure tracks the percent of claims paid under alternative payment methods in which health plans pay providers in ways that target quality, not quantity of care. Examples include shared risk and shared savings arrangements, bundled payments and global payments.
Empower consumers to make informed decisions when selecting health care providers	Number of enrollees who choose providers with highest quality cost efficiency and/or quality scores	This measure tracks the number of members who chose providers with the highest cost-efficiency and quality scores as part of the Clinical Performance Improvement (CPI) Initiative. These members have lower out-of-pocket costs.
	Number of physicians scored through Clinical Performance Improvement (CPI) Initiative	This measure tracks the number of physicians in MA scored through the Clinical Performance Improvement (CPI) Initiative. Enough data has to be available for physicians to be scored accurately and placed into one of three tiers.
	Number of specialties tiered through CPI Initiative	This measure tracks the number of physician specialties (e.g., cardiologists) tiered through the CPI Initiative.
	Percentage of GIC members enrolled in limited network products	This measure tracks the percent of non-Medicare GIC members in limited network plans. These plans have the same benefits as larger plans, but have fewer providers; their premiums are approximately 20% lower.
Expand WellMass employee wellness programs	Percentage of eligible GIC enrollees participating in WellMASS	This measure tracks the percent of eligible enrollees participating in WellMASS, the states wellness pilot program launched in Mar '12. Active state employees working in the executive branch, constitutional offices and the legislature, and early state retirees ages 55 to 64 and their spouses who are enrolled in a GIC Health Plan are eligible to participate.

GOAL	MEASURE	DESCRIPTION
Expand WellMass employee wellness programs	Number of participants at wellness events	This measure tracks the number of people attending on-site wellness events. The GIC will continually work to increase the number of people participating in the wellness program.
	Percentage of participants who reduced their number of risk factors based on Health Assessment results	This measure tracks the percent of participants who reduced their high-risk factors, according to the results of the annual Health Assessment, a self-assessment tool of health status.
Improve customer service for enrollees	Number of hits on GIC's website	This measure tracks the average monthly page hits on http://www.mass.gov/anf/employee-insurance-and-retirement-benefits/oversight-agencies/gic/ .
	Percentage of survey respondents reporting a positive customer service experience	This measure tracks the percent of customer survey respondents reporting a positive experience. GIC plans to conduct its satisfaction survey in FY14 and will report future data collected.
	Number of complaints	This measure tracks the number of written customer complaints by plan and type to determine whether there are trending issues.
	Average time (in days) to respond to a complaint	This measure tracks the average time it takes to respond to customer complaints. GIC aims to resolve all complaints within 30 days.
Improve relationship management with health plans and providers	Percentage of new contractors GIC meets with (within 30 days of awarding contract) to review expectations	This measure tracks the percent of new contractors GIC meets with, whether directly with GIC staff or via GIC consultants, within 30 days of contract award.
	Number of health plans met with twice a year	This measure tracks the number of health plans GIC meets with twice a year.
	Number of yearly meetings between GIC and provider organizations	The measure tracks the number of yearly meetings between GIC and provider organizations such as the MA Medical Society and MA Hospital Association, or with providers directly.

GOAL	MEASURE	DESCRIPTION
Enhance use of technology to improve efficiency, streamline internal processes and enhance the customer experience	Percentage of survey respondents reporting a positive experience with new technology systems	This measure tracks the percent of survey respondents including health plans, GIC coordinators and internal users, who reported a positive experience with GIC's new technology systems. GIC did not have the resources to complete this survey in FY13, but plans to pursue its roll-out in the future.
Place emphasis in procurement on fiscal constraint.	Number of plans that adhere to financial goals as enumerated in procurement documents	This measure tracks the number of health plans that have followed the spending targets of no more than 2% increases in FY14 and FY15, flat in FY16 and -2% in FY17 and FY18, as laid out in the health plan procurement GICPND1301.

Noteworthy Changes, Additions or Deletions

The GIC and its health plans no longer track medical homes as this is part of the IRBO program. As such, we have deleted the two measures relating to medical homes.